

February 24, 2004

ENGROSSED HOUSE BILL No. 1320

DIGEST OF HB 1320 (Updated February 23, 2004 5:43 pm - DI 104)

Citations Affected: IC 6-1.1; IC 12-15; IC 12-29; noncode.

Synopsis: Human services. Provides that the maximum appropriation and tax levy for community mental health centers must be annually recalculated based on the increase in the assessed value growth quotient. Separates the laws concerning financing community mental health centers from the laws concerning financing community mental retardation and other developmental disabilities centers. Allows the office of Medicaid policy and planning to make alternative payments to hospitals if the federal Centers for Medicare and Medicaid Services determines that the current payments are not eligible for federal financial participation. Requires the select joint commission on Medicaid oversight to study certain effects resulting from the repeal of continuous eligibility under the Indiana Medicaid program and the children's health insurance program. Repeals an obsolete provision.

Effective: July 1, 2003 (retroactive); December 12, 2003 (retroactive); January 1, 2004 (retroactive); July 1, 2004.

Hasler, Crawford, Frizzell, Espich

(SENATE SPONSORS — MILLER, SIMPSON)

January 15, 2004, read first time and referred to Committee on Ways and Means. January 29, 2004, amended, reported — Do Pass. February 2, 2004, read second time, amended, ordered engrossed. February 3, 2004, engrossed. February 5, 2004, read third time, passed. Yeas 90, nays 2.

SENATE ACTION

February 9, 2004, read first time and referred to Committee on Health and Provider

February 12, 2004, amended, reported favorably — Do Pass.

February 23, 2004, read second time, amended, ordered engrossed.











Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in this style type. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in this style type or this style type reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1320

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

1	SECTION 1. IC 6-1.1-18-12, AS ADDED BY P.L.1-2004
2	SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3	DECEMBER 12, 2003 (RETROACTIVE)]: Sec. 12. (a) For purposes
4	of this section, "maximum rate" refers to the maximum:

- (1) property tax rate or rates; or
- (2) special benefits tax rate or rates; referred to in the statutes listed in subsection (d).
- (b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.
 - (c) The maximum rate must be adjusted:
 - (1) each time an annual adjustment of the assessed value of real property takes effect under IC 6-1.1-4-4.5; and
- (2) each time a general reassessment of real property takes effect under IC 6-1.1-4-4.
- 17 (d) The statutes to which subsection (a) refers are:

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                   (1) IC 8-10-5-17;
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                   (2) IC 8-22-3-11;
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                   (3) IC 8-22-3-25;
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                   (4) IC 12-29-1-1;
 5
                   (5) IC 12-29-1-2;
 6
                   (6) IC 12-29-1-3;
 7
                   <del>(7) IC 12-29-2-13;</del>
 8
                   (8) (7) IC 12-29-3-6;
 9
                   <del>(9)</del> (8) IC 13-21-3-12;
10
                   <del>(10)</del> (9) IC 13-21-3-15;
11
                   <del>(11)</del> (10) IC 14-27-6-30;
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                   <del>(12)</del> (11) IC 14-33-7-3;
13
                   <del>(13)</del> (12) IC 14-33-21-5;
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                   <del>(14)</del> (13) IC 15-1-6-2;
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                   <del>(15)</del> (14) IC 15-1-8-1;
16
                   <del>(16)</del> (15) IC 15-1-8-2;
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                   <del>(17)</del> (16) IC 16-20-2-18;
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                   <del>(18)</del> (17) IC 16-20-4-27;
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                   <del>(19)</del> (18) IC 16-20-7-2;
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                   <del>(20)</del> (19) IC 16-23-1-29;
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                   <del>(21)</del> (20) IC 16-23-3-6;
22
                   <del>(22)</del> (21) IC 16-23-4-2;
23
                   <del>(23)</del> (22) IC 16-23-5-6;
24
                   <del>(24)</del> (23) IC 16-23-7-2;
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                   <del>(25)</del> (24) IC 16-23-8-2;
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                   <del>(26)</del> (25) IC 16-23-9-2;
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                   <del>(27)</del> (26) IC 16-41-15-5;
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                   <del>(28)</del> (27) IC 16-41-33-4;
29
                   <del>(29)</del> (28) IC 20-5-17.5-2;
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                   (30) (29) IC 20-5-17.5-3;
31
                   <del>(31)</del> (30) IC 20-5-37-4;
32
                   <del>(32)</del> (31) IC 20-14-7-5.1;
33
                   <del>(33)</del> (32) IC 20-14-7-6;
34
                   <del>(34)</del> (33) IC 20-14-13-12;
35
                   <del>(35)</del> (34) IC 21-1-11-3;
36
                   <del>(36)</del> (35) IC 21-2-17-2;
37
                   (37) (36) IC 23-13-17-1;
38
                   (38) (37) IC 23-14-66-2;
39
                   (39) (38) IC 23-14-67-3;
40
                   <del>(40)</del> (39) IC 36-7-13-4;
41
                   <del>(41)</del> (40) IC 36-7-14-28;
42
                   <del>(42)</del> (41) IC 36-7-15.1-16;
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EH 1320—LS 7190/DI 92+



1	(43) (42) IC 36-8-19-8.5;	
2	(44) (43) IC 36-9-6.1-2;	
3	(45) (44) IC 36-9-17.5-4;	
4	(46) (45) IC 36-9-27-73;	
5	(47) (46) IC 36-9-29-31;	
6	(48) (47) IC 36-9-29.1-15;	
7	(49) (48) IC 36-10-6-2;	
8	(50) (49) IC 36-10-7-7;	
9	(51) (50) IC 36-10-7-8;	
10	(52) (51) IC 36-10-7.5-19; and	4
11	(53) (52) any statute enacted after December 31, 2003, that:	
12	(A) establishes a maximum rate for any part of the:	
13	(i) property taxes; or	
14	(ii) special benefits taxes;	
15	imposed by a political subdivision; and	_
16	(B) does not exempt the maximum rate from the adjustment	
17	under this section.	
18	(e) The new maximum rate under a statute listed in subsection (d)	
19	is the tax rate determined under STEP SEVEN of the following STEPS:	
20	STEP ONE: Determine the maximum rate for the political	
21	subdivision levying a property tax or special benefits tax under	
22	the statute for the year preceding the year in which the annual	
23	adjustment or general reassessment takes effect.	
24	STEP TWO: Determine the actual percentage increase (rounded	
25	to the nearest one-hundredth percent (0.01%)) in the assessed	
26	value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the	
27	taxable property from the year preceding the year the annual	\
28	adjustment or general reassessment takes effect to the year that	
29	the annual adjustment or general reassessment takes effect.	
30	STEP THREE: Determine the three (3) calendar years that	
31	immediately precede the ensuing calendar year and in which a	
32	statewide general reassessment of real property does not first take	
33	effect.	
34	STEP FOUR: Compute separately, for each of the calendar years	
35	determined in STEP THREE, the actual percentage increase	
36	(rounded to the nearest one-hundredth percent (0.01%)) in the	
37	assessed value (before the adjustment, if any, under	
38	IC 6-1.1-4-4.5) of the taxable property from the preceding year.	
39	STEP FOLID by these (2)	
40 4.1	in STEP FOUR by three (3).	
41 12	STEP SIX: Determine the greater of the following:	
12	(A) Zero (0).	





1	(B) The result of the STEP TWO percentage minus the STEP	
2	FIVE percentage.	
3	STEP SEVEN: Determine the quotient of the STEP ONE tax rate	
4	divided by the sum of one (1) plus the STEP SIX percentage	
5	increase.	
6	(f) The department of local government finance shall compute the	
7	maximum rate allowed under subsection (e) and provide the rate to	
8	each political subdivision with authority to levy a tax under a statute	
9	listed in subsection (d).	
10	SECTION 2. IC 6-1.1-18.5-10 IS AMENDED TO READ AS	
11	FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:	
12	Sec. 10. (a) The ad valorem property tax levy limits imposed by section	
13	3 of this chapter do not apply to ad valorem property taxes imposed by	
14	a civil taxing unit to be used to fund:	
15	(1) community mental health centers under IC 12-29-2-1 through	_
16	IC 12-29-2-6; IC 12-29-2-5 and IC 12-29-2-13 ; or	
17	(2) community mental retardation and other developmental	
18	disabilities centers under IC 12-29-1-1;	
19	to the extent that those property taxes are attributable to any increase	
20	in the assessed value of the civil taxing unit's taxable property caused	
21	by a general reassessment of real property that took effect after	
22	February 28, 1979.	
23	(b) For purposes of computing the ad valorem property tax levy	
24	limits imposed on a civil taxing unit by section 3 of this chapter, the	
25	civil taxing unit's ad valorem property tax levy for a particular calendar	
26	year does not include that part of the levy described in subsection (a).	_
27	SECTION 3. IC 12-15-15-1.6 IS ADDED TO THE INDIANA	
28	CODE AS A NEW SECTION TO READ AS FOLLOWS	Y
29	[EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: Sec. 1.6. (a) This	
30	section applies only if the federal Centers for Medicare and	
31	Medicaid Services determines that payments made under section	
32	1.5(b) STEP FIVE (A), (B), or (C) of this chapter are not eligible	
33	for federal financial participation.	
34	(b) If the federal Centers for Medicare and Medicaid Services	
35	determines that payments made under section 1.5(b) STEP FIVE	
36	(A) of this chapter are not eligible for federal financial	
37	participation, the office may make an alternative payment to a	
38	payment under section 1.5(b) STEP FIVE (A) of this chapter if:	
39	(1) the payments for a state fiscal year are made only to a	
40	hospital that would have been eligible for a payment for that	
41	state fiscal year under section 1.5(b) STEP FIVE (A) of this	
42	chapter; and	



1	(2) the payments for a state fiscal year to each hospital are an
2	amount that is as equal as possible to the amount each
3	hospital would have received under section 1.5(b) STEP FIVE
4	(A) of this chapter for that state fiscal year.
5	(c) If the federal Centers for Medicare and Medicaid Services
6	determines that payments made under section 1.5(b) STEP FIVE
7	(B) of this chapter are not eligible for federal financial
8	participation, the office may make an alternative payment to a
9	payment under section 1.5(b) STEP FIVE (B) of this chapter if:
10	(1) the payments for a state fiscal year are made only to a
11	hospital that would have been eligible for a payment for that
12	state fiscal year under section 1.5(b) STEP FIVE (B) of this
13	chapter; and
14	(2) the payments for a state fiscal year to each hospital are an
15	amount that is as equal as possible to the amount each
16	hospital would have received under section 1.5(b) STEP FIVE
17	(B) of this chapter for that state fiscal year.
18	(d) If the federal Centers for Medicare and Medicaid Services
19	determines that payments made under section 1.5(b) STEP FIVE
20	(C) of this chapter are not eligible for federal financial
21	participation, the office may make an alternative payment to a
22	payment under section 1.5(b) STEP FIVE (C) of this chapter if:
23	(1) the payments for a state fiscal year are made only to a
24	hospital that would have been eligible for a payment for that
25	state fiscal year under section 1.5(b) STEP FIVE (C) of this
26	chapter; and
27	(2) the payments for a state fiscal year to each hospital are an
28	amount that is as equal as possible to the amount each
29	hospital would have received under section 1.5(b) STEP FIVE
30	(C) of this chapter for that state fiscal year.
31	(e) If the federal Centers for Medicare and Medicaid Services
32	determines that payments made under subsection (b), (c), or (d) are
33	not eligible for federal financial participation, the office shall use
34	the funds that would have served as the non-federal share of these
35	payments for a state fiscal year to serve as the non-federal share of
36	a payment program for hospitals to be established by the office.
37	The payment program is for the benefit of hospitals and must
38	distribute payments for a state fiscal year based upon a
39	methodology determined by the office to be equitable under the
40	circumstances.
41	SECTION 4. IC 12-29-1-1 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:



1	Sec. 1. (a) The county executive of a county may authorize the
2	furnishing of financial assistance to the following:
3	(1) A community mental health center that is located or will be
4	located in the county.
5	(2) a community mental retardation and other developmental
6	disabilities center that is located or will be located in the county.
7	(b) Assistance authorized under this section shall be used for the
8	following purposes:
9	(1) Constructing a center.
10	(2) Operating a center.
11	(c) Upon request of the county executive, the county fiscal body
12	may appropriate annually from the county's general fund the money to
13	provide financial assistance for the purposes described in subsection
14	(b). The appropriation may not exceed the amount that could be
15	collected from an annual tax levy of not more than three and
16	thirty-three hundredths cents (\$0.0333) on each one hundred dollars
17	(\$100) of taxable property within the county.
18	SECTION 5. IC 12-29-1-2 IS AMENDED TO READ AS
19	FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:
20	Sec. 2. (a) If a community mental health center or a community mental
21	retardation and other developmental disabilities center is organized to
22	provide services to at least two (2) counties, the county executive of
23	each county may authorize the furnishing of financial assistance for the
24	purposes described in section 1(b) of this chapter.
25	(b) Upon the request of the county executive of the county, the
26	county fiscal body of each county may appropriate annually from the
27	county's general fund the money to provide financial assistance for the
28	purposes described in section 1(b) of this chapter. The appropriation of
29	each county may not exceed the amount that could be collected from
30	an annual tax levy of three and thirty-three hundredths cents (\$0.0333)
31	on each one hundred dollars (\$100) of taxable property within the
32	county.
33	SECTION 6. IC 12-29-1-3 IS AMENDED TO READ AS
34	FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:
35	Sec. 3. (a) The county executive of each county whose residents may
36	receive services from a community mental health center or a
37	community mental retardation and other developmental disabilities
38	center may authorize the furnishing of a share of financial assistance
39	for the purposes described in section 1(b) of this chapter if the
40	following conditions are met:
41	(1) The facilities for the center are located in a state adjacent to
42	Indiana.



1 2	(2) The center is organized to provide services to Indiana residents.
3	(b) Upon the request of the county executive of a county, the county
4	fiscal body of the county may appropriate annually from the county's
5	general fund the money to provide financial assistance for the purposes
6	described in section 1(b) of this chapter. The appropriations of the
7	county may not exceed the amount that could be collected from an
8	annual tax levy of three and thirty-three hundredths cents (\$0.0333) on
9	each one hundred dollars (\$100) of taxable property within the county.
10	SECTION 7. IC 12-29-1-4 IS AMENDED TO READ AS
11	FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:
12	Sec. 4. (a) Bonds of a county may be issued for the construction and
13	equipment or the improvement of a building to house the following:
14	(1) A community mental health center.
15	(2) a community mental retardation and other developmental
16	disabilities center.
17	(b) If services are provided to at least two (2) counties:
18	(1) bonds of the counties involved may be issued to pay the
19	proportionate cost of the project in the proportion determined and
20	agreed upon by the fiscal bodies of the counties involved; or
21	(2) bonds of one (1) county may be issued and the remaining
22	counties may annually appropriate to the county issuing the bonds
23	amounts to be applied to the payment of the bonds and interest on
24	the bonds in the proportion agreed upon by the county fiscal
25	bodies of the counties involved.
26	SECTION 8. IC 12-29-1-7, AS AMENDED BY P.L.215-2001,
27	SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28	JANUARY 1, 2004 (RETROACTIVE)]: Sec. 7. (a) On the first
29	Monday in October, the county auditor shall certify to:
30	(1) the division of mental health and addiction, for a community
31	mental health center;
32	(2) (1) the division of disability, aging, and rehabilitative services,
33	for a community mental retardation and other developmental
34	disabilities center; and
35	(3) (2) the president of the board of directors of each center;
36	the amount of money that will be provided to the center under this
37	chapter.
38	(b) The county payment to the center shall be paid by the county
39	treasurer to the treasurer of each center's board of directors in the
40	following manner:
41	(1) One-half (1/2) of the county payment to the center shall be
42	made on the second Monday in July.



1	(2) One-half $(1/2)$ of the county payment to the center shall be
2	made on the second Monday in December.
3	A county making a payment under this subsection or from other county
4	sources to a community mental health center that qualifies as a
5	community mental health center disproportionate share provider under
6	IC 12-15-16-1 shall certify that the payment represents expenditures
7	eligible for financial participation under 42 U.S.C. 1396b(w)(6)(A) and
8	42 CFR 433.51. The office shall assist a county in making this
9	certification.
10	(c) Payments by the county fiscal body
11	(1) must be in the amounts:
12	(A) determined by IC 12-29-2-1 through IC 12-29-2-6; and
13	(B) authorized by section 1 of this chapter; and
14	(2) are in place of grants from agencies supported within the
15	county solely by county tax money.
16	SECTION 9. IC 12-29-2-1.2 IS ADDED TO THE INDIANA CODE
17	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
18	JANUARY 1, 2004 (RETROACTIVE)]: Sec. 1.2. (a) The county
19	executive of a county may authorize the furnishing of financial
20	assistance for the purposes described in subsection (b) to a
21	community mental health center that is located or will be located:
22	(1) in the county;
23	(2) anywhere in Indiana, if the community mental health
24	center is organized to provide services to at least two (2)
25	counties, including the county executive's county; or
26	(3) in an adjacent state, if the center is organized to provide
27	services to Indiana residents, including residents in the county
28	executive's county.
29	If a community mental health center is organized to serve more
30	than one (1) county, upon request of the county executive, each
31	county fiscal body may appropriate money annually from the
32	county's general fund to provide financial assistance for the
33	community mental health center.
34	(b) Assistance authorized under this section shall be used for the
35	following purposes:
36	(1) Constructing a community mental health center.
37	(2) Operating a community mental health center.
38	(c) The appropriation from a county authorized under
39	subsection (a) may not exceed the following:
40	(1) For 2004, the product of the amount determined under
41	section 2(b)(1) of this chapter multiplied by two and five
12	hundred four thousandths (2.504).



1	(2) For 2005 and each year thereafter, the product of the
2	amount determined under section 2(b)(2) of this chapter for
3	that year multiplied by two and five hundred four
4	thousandths (2.504).
5	SECTION 10. IC 12-29-2-2, AS AMENDED BY P.L.1-2004,
6	SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7	JANUARY 1, 2004 (RETROACTIVE)]: Sec. 2. (a) Subject to
8	subsections (b), (c), and (d), A county shall fund the operation of
9	community mental health centers in an the amount not less than the
10	amount that would be raised by an annual tax rate of one and
11	thirty-three hundredths cents (\$0.0133) on each one hundred dollars
12	(\$100) of taxable property within the county, determined under
13	subsection (b), unless a lower tax rate levy amount will be adequate
14	to fulfill the county's financial obligations under this chapter in any of
15	the following situations:
16	(1) If the total population of the county is served by one (1)
17	center.
18	(2) If the total population of the county is served by more than one
19	(1) center.
20	(3) If the partial population of the county is served by one (1)
21	center.
22	(4) If the partial population of the county is served by more than
23	one (1) center.
24	(b) This subsection applies only to a property tax that is imposed in
25	a county containing a consolidated city. The tax rate permitted under
26	subsection (a) for taxes first due and payable after 1995 is the tax rate
27	permitted under subsection (a) as adjusted under this subsection. For
28	each year in which an annual adjustment of the assessed value of real
29	property will take effect under IC 6-1.1-4-4.5 or a general reassessment
30	of property will take effect, the department of local government finance
31	shall compute the maximum rate permitted under subsection (a) as
32	follows:
33	STEP ONE: Determine the maximum rate for the year preceding
34	the year in which the annual adjustment or general reassessment
35	takes effect.
36	STEP TWO: Determine the actual percentage increase (rounded
37	to the nearest one-hundredth percent (0.01%)) in the assessed
38	value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
39	taxable property from the year preceding the year the annual

adjustment or general reassessment takes effect to the year that

the annual adjustment or general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that

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1	immediately precede the ensuing calendar year and in which a	
2	statewide general reassessment of real property does not first	
3	become effective.	
4	STEP FOUR: Compute separately, for each of the calendar years	
5	determined in STEP THREE, the actual percentage increase	
6	(rounded to the nearest one-hundredth percent (0.01%)) in the	
7	assessed value (before the adjustment, if any, under	
8	IC 6-1.1-4-4.5) of the taxable property from the preceding year.	
9	STEP FIVE: Divide the sum of the three (3) quotients computed	
10	in STEP FOUR by three (3).	1
11	STEP SIX: Determine the greater of the following:	
12	(A) Zero (0).	
13	(B) The result of the STEP TWO percentage minus the STEP	
14	FIVE percentage.	
15	STEP SEVEN: Determine the quotient of:	
16	(A) the STEP ONE tax rate; divided by	4
17	(B) one (1) plus the STEP SIX percentage increase.	•
18	This maximum rate is the maximum rate under this section until a new	
19	maximum rate is computed under this subsection for the next year in	
20	which an annual adjustment under IC 6-1.1-4-4.5 or a general	
21	reassessment of property will take effect.	
22	(c) With respect to a county to which subsection (b) does not apply,	
23	The maximum tax rate permitted under subsection (a) for taxes first	
24	due and payable in a calendar year 2004 and calendar year 2005 is the	
25	maximum tax rate that would have been determined under subsection	
26	(d) for taxes first due and payable in 2003 if subsection (d) had applied	
27	to the county for taxes first due and payable in 2003.	
28	(d) This subsection applies only to a county to which subsection (b)	
29	does not apply. The tax rate permitted under subsection (a) for taxes	
30	first due and payable after calendar year 2005 is the tax rate permitted	
31	under subsection (c) as adjusted under this subsection. For each year	
32	in which an annual adjustment of the assessed value of real property	
33	will take effect under IC 6-1.1-4-4.5 or a general reassessment of	
34	property will take effect, the department of local government finance	
35	shall compute the maximum rate permitted under subsection (a) as	
36	follows:	
37	STEP ONE: Determine the maximum rate for the year preceding	
38	the year in which the annual adjustment or general reassessment	
39	takes effect.	
40	STEP TWO: Determine the actual percentage increase (rounded	
41	to the nearest one-hundredth percent (0.01%)) in the assessed	
42	value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the	



1	taxable property from the year preceding the year the annual
2	adjustment or general reassessment takes effect to the year that
3	the annual adjustment or general reassessment is effective.
4	STEP THREE: Determine the three (3) calendar years that
5	immediately precede the ensuing calendar year and in which a
6	statewide general reassessment of real property does not first
7	become effective.
8	STEP FOUR: Compute separately, for each of the calendar years
9	determined under STEP THREE, the actual percentage increase
10	(rounded to the nearest one-hundredth percent (0.01%)) in the
11	assessed value (before the adjustment, if any, under
12	IC 6-1.1-4-4.5) of the taxable property from the preceding year.
13	STEP FIVE: Divide the sum of the three (3) quotients computed
14	under STEP FOUR by three (3).
15	STEP SIX: Determine the greater of the following:
16	(A) Zero (0).
17	(B) The result of the STEP TWO percentage minus the STEP
18	FIVE percentage.
19	STEP SEVEN: Determine the quotient of:
20	(A) the STEP ONE tax rate; divided by
21	(B) one (1) plus the STEP SIX percentage increase.
22	This maximum rate is the maximum rate under this section until a new
23	maximum rate is computed under this subsection for the next year in
24	which an annual adjustment under IC 6-1.1-4-4.5 or a general
25	reassessment of property will take effect.
26	(b) The amount of funding under subsection (a) for taxes first
27	due and payable in a calendar year is the following:
28	(1) For 2004, the amount is the amount determined under
29	STEP THREE of the following formula:
30	STEP ONE: Determine the amount that was levied within
31	the county to comply with this section from property taxes
32	first due and payable in 2002.
33	STEP TWO: Multiply the STEP ONE result by the
34	county's assessed value growth quotient for the ensuing
35	year 2003, as determined under IC 6-1.1-18.5-2.
36	STEP THREE: Multiply the STEP TWO result by the
37	county's assessed value growth quotient for the ensuing
38	year 2004, as determined under IC 6-1.1-18.5-2.
39	(2) For 2005 and each year thereafter, the result equal to:
40	(A) the amount that was levied in the county to comply
41	with this section from property taxes first due and payable
42	in the calendar year immediately preceding the ensuing



1	calendar year; multiplied by
2	(B) the county's assessed value growth quotient for the
3	ensuing calendar year, as determined under
4	IC 6-1.1-18.5-2.
5	SECTION 11. IC 12-29-2-13, AS AMENDED BY P.L.215-2001,
6	SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7	JANUARY 1, 2004 (RETROACTIVE)]: Sec. 13. (a) This section
8	applies to a Lake County. having a population of not less than four
9	hundred thousand (400,000) but not more than seven hundred thousand
10	(700,000).
11	(b) In addition to any other appropriation under this article, a the
12	county annually may fund each center serving the county from the
13	county's general fund in an amount not exceeding the amount that
14	would be raised by a tax rate of one cent (\$0.01) on each one hundred
15	dollars (\$100) of taxable property within the county the following:
16	(1) For 2004, the product of the amount determined under
17	section 2(b)(1) of this chapter multiplied by seven hundred
18	fifty-two thousandths (0.752).
19	(2) For 2005 and each year thereafter, the product of the
20	amount determined under section 2(b)(2) of this chapter for
21	that year multiplied by seven hundred fifty-two thousandths
22	(0.752).
23	(c) The receipts from the tax levied under this section shall be used
24	for the leasing, purchasing, constructing, or operating of community
25	residential facilities for the chronically mentally ill (as defined in
26	IC 12-7-2-167).
27	(d) Money appropriated under this section must be:
28	(1) budgeted under IC 6-1.1-17; and
29	(2) included in the center's budget submitted to the division of
30	mental health and addiction.
31	(e) Permission for a levy increase in excess of the levy limitations
32	may be ordered under IC 6-1.1-18.5-15 only if the levy increase is
33	approved by the division of mental health and addiction for a
34	community mental health center.
35	SECTION 12. IC 12-29-2-17 IS ADDED TO THE INDIANA
36	CODE AS A NEW SECTION TO READ AS FOLLOWS
37	[EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 17. (a)
38	Bonds of a county may be issued for the construction and
39	equipment or the improvement of a building to house a community
40	mental health center.
41	(b) If services are provided to at least two (2) counties:

(1) bonds of the counties involved may be issued to pay the



1	proportionate cost of the project in the proportion determined	
2	and agreed upon by the fiscal bodies of the counties involved;	
3	or	
4	(2) bonds of one (1) county may be issued and the remaining	
5	counties may annually appropriate to the county issuing the	
6	bonds amounts to be applied to the payment of the bonds and	
7	interest on the bonds in the proportion agreed upon by the	
8	county fiscal bodies of the counties involved.	
9	SECTION 13. IC 12-29-2-18 IS ADDED TO THE INDIANA	
10	CODE AS A NEW SECTION TO READ AS FOLLOWS	
11	[EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 18. All	
12	general Indiana statutes relating to the following apply to the	
13	issuance of county bonds under this chapter:	
14	(1) The filing of a petition requesting the issuance of bonds.	
15	(2) The giving of notice of the following:	
16	(A) The filing of the petition requesting the issuance of the	
17	bonds.	
18	(B) The determination to issue bonds.	
19	(C) A hearing on the appropriation of the proceeds of the	
20	bonds.	
21	(3) The right of taxpayers to appear and be heard on the	
22	proposed appropriation.	
23	(4) The approval of the appropriation by the department of	
24	local government finance.	_
25	(5) The right of taxpayers to remonstrate against the issuance	
26	of bonds.	
27	SECTION 14. IC 12-29-2-19 IS ADDED TO THE INDIANA	
28	CODE AS A NEW SECTION TO READ AS FOLLOWS	V
29	[EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 19. If	
30	bonds are issued under this chapter:	
31	(1) the building that is constructed, equipped, or improved	
32	with proceeds of the bonds is:	
33	(A) the property of the county issuing the bonds; or	
34	(B) the joint property of the counties involved if the bonds	
35	are issued by at least two (2) counties; and	
36	(2) the tax limitations in this chapter do not apply to the levy	
37	of taxes to pay the bonds and the interest on the bonds.	
38 39	SECTION 15. IC 12-29-2-20 IS ADDED TO THE INDIANA	
39 40	CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 20. (a) On	
40 41	the first Monday in October, the county auditor shall certify to:	
41 42	(1) the division of mental health and addiction for a	



1	community mental health center; and
2	(2) the president of the board of directors of each community
3	mental health center;
4	the amount of money that will be provided to the community
5	mental health center under this chapter.
6	(b) The county payment to the community mental health center
7	shall be paid by the county treasurer to the treasurer of each
8	community mental health center's board of directors in the
9	following manner:
10	(1) One-half (1/2) of the county payment to the community
11	mental health center shall be made on the second Monday in
12	July.
13	(2) One-half (1/2) of the county payment to the community
14	mental health center shall be made on the second Monday in
15	December.
16	(c) A county making a payment under this section or from other
17	county sources to a community mental health center that qualifies
18	as a community mental health center disproportionate share
19	provider under IC 12-15-16-1 shall certify that the payment
20	represents expenditures eligible for financial participation under
21	42 U.S.C. 1396b(w)(6)(A) and 42 CFR 433.51. The office shall assist
22	a county in making this certification.
23	(d) Payments by the county fiscal body:
24	(1) must be in the amounts:
25	(A) determined by sections 2 through 5 of this chapter; and
26	(B) authorized by sections 1.2 and 13 of this chapter; and
27	(2) are in place of grants from agencies supported within the
28 29	county solely by county tax money.
29 30	SECTION 16. IC 12-29-2-6 IS REPEALED [EFFECTIVE]
31	JANUARY 1, 2004 (RETROACTIVE)]. SECTION 17. [EFFECTIVE JANUARY 1, 2004
32	(RETROACTIVE) (a) IC 12-29-1 and IC 12-29-2, both as amended
33	by this act, apply to property taxes first due and payable after
34	December 31, 2003.
35	(b) If the department of local government finance determines
36	that compliance with this act would cause an unreasonable delay
37	in the certification of budgets, tax rates, and tax levies in a county,
38	the department of local government finance may certify budgets,
39	tax rates, and tax levies for the county under IC 6-1.1-18-12,
40	IC 12-29-1, and IC 12-29-2 as if this act had not been passed.
41	However, if the department of local government finance takes this
42	action, the affected county and the department of local government



1	finance shall provide for an additional shortfall property tax levy
2	and an additional budgeted amount in 2005 to replace the revenue
3	lost in 2004 to community mental health centers as a result of
4	certifying budgets, tax rates, and tax levies for the county under
5	IC 6-1.1-18-12, IC 12-29-1, and IC 12-29-2 as if this act had not
6	been passed.
7	(c) The amount of the shortfall levy under subsection (b) shall
8	be treated as an addition to the amount allowed in 2005 under
9	IC 12-29-2, as amended by this act. The ad valorem property tax
10	levy limits imposed by IC 12-29-2, as amended by this act, do not
11	apply to ad valorem property taxes imposed under subsection (b).
12	The shortfall levy imposed under this SECTION may not be
13	considered in computing ad valorem property tax levies under
14	IC 12-29-2, as amended by this act, for property taxes first due and
15	payable after 2005.
16	SECTION 18. [EFFECTIVE JULY 1, 2004] (a) In addition to the
17	duties specified under IC 2-5-26, the select joint commission on
18	Medicaid oversight established by IC 2-5-26-3 shall, to the extent
19	the commission determines is feasible after consultation with the
20	office of Medicaid policy and planning established by IC 12-8-6-1,
21	study the following effects of the repeal of continuous eligibility for
22	children under the Indiana Medicaid program and the children's
23	health insurance program established under IC 12-17.6-2:
24	(1) Effects on government, including the following:
25	(A) Costs to Medicaid and the division of family and
26	children established by IC 12-13-1-1 due to more frequent
27	recertification requirements.
28	(B) Loss of revenue from federal matching funds that could
29	not be obtained because of the repeal of continuous
30	eligibility.
31	(2) Effects on the economy, including the following:
32	(A) Indirect cost-shifting to providers due to increased
33	charity care because recipients have lapses in eligibility.
34	(B) Increased burdens on township assistance (poor relief).
35	(3) Effects on children, including the following:
36	(A) Increases in the level of uninsured children in Indiana.
37	(B) Decreases in wellness and the effects on the educational
38	abilities of sicker children.
39	(4) Effects on families, including the following:
40	(A) Effects on family income due to the burden of sicker

(B) Effects on the ability of parents to maintain stable



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1	employment due to sicker children or more burdensome	
2	recertification procedures.	
3	(b) The select joint commission on Medicaid oversight shall	
4	submit to the legislative council before November 1, 2004, a report	
5	of its findings and recommendations concerning the study under	
6	subsection (a). The report must be submitted in an electronic	
7	format under IC 5-14-6.	
8	(c) The office of the secretary of family and social services shall	
9	cooperate with the select joint commission on Medicaid oversight	
10	and provide the commission with information and data necessary	
11	for the commission to carry out this SECTION.	
12	(d) This SECTION expires January 1, 2005.	
13	SECTION 19. An emergency is declared for this act.	
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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1320, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1320 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 26, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1320 be amended to read as follows:

Page 14, after line 42, begin a new paragraph and insert:

"SECTION 10. [EFFECTIVE JULY 1, 2004] (a) In addition to the duties specified under IC 2-5-26, the select joint commission on Medicaid oversight established by IC 2-5-26-3 shall, to the extent the commission determines is feasible after consultation with the office of Medicaid policy and planning established by IC 12-8-6-1, study the following effects of the repeal of continuous eligibility for children under the Indiana Medicaid program and the children's health insurance program established under IC 12-17.6-2:

- (1) Effects on government, including the following:
 - (A) Costs to Medicaid and the division of family and children established by IC 12-13-1-1 due to more frequent recertification requirements.
 - (B) Loss of revenue from federal matching funds that could not be obtained because of the repeal of continuous eligibility.
- (2) Effects on the economy, including the following:
 - (A) Indirect cost-shifting to providers due to increased charity care because recipients have lapses in eligibility.
 - (B) Increased burdens on township assistance (poor relief).
- (3) Effects on children, including the following:
 - (A) Increases in the level of uninsured children in Indiana.
 - (B) Decreases in wellness and the effects on the educational abilities of sicker children.
- (4) Effects on families, including the following:
 - (A) Effects on family income due to the burden of sicker children.
 - (B) Effects on the ability of parents to maintain stable employment due to sicker children or more burdensome recertification procedures.
- (b) The select joint commission on Medicaid oversight shall submit to the legislative council before November 1, 2004, a report of its findings and recommendations concerning the study under subsection (a). The report must be submitted in an electronic format under IC 5-14-6.











(c) This SECTION expires January 1, 2005.".

Renumber all SECTIONS consecutively.

(Reference is to HB 1320 as printed January 30, 2004.)

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COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1320, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert: "SECTION 1. IC 6-1.1-18-12, AS ADDED BY P.L.1-2004, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE DECEMBER 12, 2003 (RETROACTIVE)]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

- (1) property tax rate or rates; or
- (2) special benefits tax rate or rates; referred to in the statutes listed in subsection (d).
- (b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.
 - (c) The maximum rate must be adjusted:
 - (1) each time an annual adjustment of the assessed value of real property takes effect under IC 6-1.1-4-4.5; and
 - (2) each time a general reassessment of real property takes effect under IC 6-1.1-4-4.
 - (d) The statutes to which subsection (a) refers are:
 - (1) IC 8-10-5-17;
 - (2) IC 8-22-3-11;
 - (3) IC 8-22-3-25;
 - (4) IC 12-29-1-1;
 - (5) IC 12-29-1-2;
 - (6) IC 12-29-1-3;
 - (7) IC 12-29-2-13;
 - (8) **(7)** IC 12-29-3-6;
 - (9) **(8)** IC 13-21-3-12;
 - (10) **(9)** IC 13-21-3-15;
 - (11) **(10)** IC 14-27-6-30;
 - (12) **(11)** IC 14-33-7-3;
 - (13) **(12)** IC 14-33-21-5;
 - (14) **(13)** IC 15-1-6-2;
 - (15) **(14)** IC 15-1-8-1;
 - (16) (15) IC 15-1-8-2;
 - (17) **(16)** IC 16-20-2-18;

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(18) (17) IC 16-20-4-27;
<del>(19)</del> (18) IC 16-20-7-2;
(20) (19) IC 16-23-1-29;
<del>(21)</del> (20) IC 16-23-3-6;
<del>(22)</del> (21) IC 16-23-4-2;
<del>(23)</del> (22) IC 16-23-5-6;
<del>(24)</del> (23) IC 16-23-7-2;
<del>(25)</del> (24) IC 16-23-8-2;
<del>(26)</del> (25) IC 16-23-9-2;
<del>(27)</del> (26) IC 16-41-15-5;
<del>(28)</del> (27) IC 16-41-33-4;
(29) (28) IC 20-5-17.5-2;
<del>(30)</del> (29) IC 20-5-17.5-3;
<del>(31)</del> (30) IC 20-5-37-4;
<del>(32)</del> (31) IC 20-14-7-5.1;
<del>(33)</del> (32) IC 20-14-7-6;
(34) (33) IC 20-14-13-12;
<del>(35)</del> (34) IC 21-1-11-3;
<del>(36)</del> (35) IC 21-2-17-2;
<del>(37)</del> (36) IC 23-13-17-1;
(38) (37) IC 23-14-66-2;
<del>(39)</del> (38) IC 23-14-67-3;
<del>(40)</del> (39) IC 36-7-13-4;
(41) (40) IC 36-7-14-28;
<del>(42)</del> (41) IC 36-7-15.1-16;
<del>(43)</del> (42) IC 36-8-19-8.5;
<del>(44)</del> (43) IC 36-9-6.1-2;
(45) (44) IC 36-9-17.5-4;
<del>(46)</del> (45) IC 36-9-27-73;
<del>(47)</del> (46) IC 36-9-29-31;
(48) (47) IC 36-9-29.1-15;
<del>(49)</del> (48) IC 36-10-6-2;
<del>(50)</del> (49) IC 36-10-7-7;
<del>(51)</del> (50) IC 36-10-7-8;
<del>(52)</del> (51) IC 36-10-7.5-19; and
(53) (52) any statute enacted after December 31, 2003, that:
   (A) establishes a maximum rate for any part of the:
      (i) property taxes; or
      (ii) special benefits taxes;
    imposed by a political subdivision; and
   (B) does not exempt the maximum rate from the adjustment
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under this section.



(e) The new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP SEVEN of the following STEPS:

STEP ONE: Determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment takes effect.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first take effect.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year. STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

- (A) Zero (0).
- (B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

SECTION 2. IC 6-1.1-18.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 10. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit to be used to fund:

- (1) community mental health centers under IC 12-29-2-1 IC 12-29-2-2 through IC 12-29-2-6; IC 12-29-2-5; or
- (2) community mental retardation and other developmental

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disabilities centers under IC 12-29-1-1;

to the extent that those property taxes are attributable to any increase in the assessed value of the civil taxing unit's taxable property caused by a general reassessment of real property that took effect after February 28, 1979.

(b) For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy described in subsection (a).

SECTION 3. IC 12-29-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 1. (a) The county executive of a county may authorize the furnishing of financial assistance to the following:

- (1) A community mental health center that is located or will be located in the county.
- (2) a community mental retardation and other developmental disabilities center that is located or will be located in the county.
- (b) Assistance authorized under this section shall be used for the following purposes:
 - (1) Constructing a center.
 - (2) Operating a center.
- (c) Upon request of the county executive, the county fiscal body may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in subsection (b). The appropriation may not exceed the amount that could be collected from an annual tax levy of not more than three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

SECTION 4. IC 12-29-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 2. (a) If a community mental health center or a community mental retardation and other developmental disabilities center is organized to provide services to at least two (2) counties, the county executive of each county may authorize the furnishing of financial assistance for the purposes described in section 1(b) of this chapter.

(b) Upon the request of the county executive of the county, the county fiscal body of each county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. The appropriation of each county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the

ad valorem property tax levy

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SECTION 5. IC 12-29-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 3. (a) The county executive of each county whose residents may receive services from a community mental health center or a community mental retardation and other developmental disabilities center may authorize the furnishing of a share of financial assistance for the purposes described in section 1(b) of this chapter if the following conditions are met:

- (1) The facilities for the center are located in a state adjacent to Indiana.
- (2) The center is organized to provide services to Indiana residents.
- (b) Upon the request of the county executive of a county, the county fiscal body of the county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. The appropriations of the county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

SECTION 6. IC 12-29-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 4. (a) Bonds of a county may be issued for the construction and equipment or the improvement of a building to house the following:

- (1) A community mental health center.
- (2) a community mental retardation and other developmental disabilities center.
- (b) If services are provided to at least two (2) counties:
 - (1) bonds of the counties involved may be issued to pay the proportionate cost of the project in the proportion determined and agreed upon by the fiscal bodies of the counties involved; or
 - (2) bonds of one (1) county may be issued and the remaining counties may annually appropriate to the county issuing the bonds amounts to be applied to the payment of the bonds and interest on the bonds in the proportion agreed upon by the county fiscal bodies of the counties involved.

SECTION 7. IC 12-29-1-7, AS AMENDED BY P.L.215-2001, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 7. (a) On the first Monday in October, the county auditor shall certify to:

(1) the division of mental health and addiction, for a community mental health center;

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- (2)(1) the division of disability, aging, and rehabilitative services, for a community mental retardation and other developmental disabilities center; and
- (3) (2) the president of the board of directors of each center; the amount of money that will be provided to the center under this chapter.
- (b) The county payment to the center shall be paid by the county treasurer to the treasurer of each center's board of directors in the following manner:
 - (1) One-half (1/2) of the county payment to the center shall be made on the second Monday in July.
 - (2) One-half (1/2) of the county payment to the center shall be made on the second Monday in December.

A county making a payment under this subsection or from other county sources to a community mental health center that qualifies as a community mental health center disproportionate share provider under IC 12-15-16-1 shall certify that the payment represents expenditures eligible for financial participation under 42 U.S.C. 1396b(w)(6)(A) and 42 CFR 433.51. The office shall assist a county in making this certification.

- (c) Payments by the county fiscal body
 - (1) must be in the amounts:
 - (A) determined by IC 12-29-2-1 through IC 12-29-2-6; and
 - (B) authorized by section 1 of this chapter; and
 - (2) are in place of grants from agencies supported within the county solely by county tax money.

SECTION 8. IC 12-29-2-1.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 1.2. (a) The county executive of a county may authorize the furnishing of financial assistance for the purposes described in subsection (b) to a community mental health center that is located or will be located:

- (1) in the county;
- (2) anywhere in Indiana, if the community mental health center is organized to provide services to at least two (2) counties, including the county executive's county; or
- (3) in an adjacent state, if the center is organized to provide services to Indiana residents, including residents in the county executive's county.

If a community mental health center is organized to serve more than one (1) county, upon request of the county executive, each county fiscal body may appropriate money annually from the

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county's general fund to provide financial assistance for the community mental health center.

- (b) Assistance authorized under this section shall be used for the following purposes:
 - (1) Constructing a community mental health center.
 - (2) Operating a community mental health center.
- (c) The appropriation from a county authorized under subsection (a) may not exceed the following:
 - (1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by two and five hundred four thousandths (2.504).
 - (2) For 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by two and five hundred four thousandths (2.504).

SECTION 9. IC 12-29-2-2, AS AMENDED BY P.L.1-2004, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 2. (a) Subject to subsections (b), (c), and (d), A county shall fund the operation of community mental health centers in an the amount not less than the amount that would be raised by an annual tax rate of one and thirty-three hundredths cents (\$0.0133) on each one hundred dollars (\$100) of taxable property within the county, determined under subsection (b), unless a lower tax rate levy amount will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

- (1) If the total population of the county is served by one (1) center
- (2) If the total population of the county is served by more than one
- (1) center.
- (3) If the partial population of the county is served by one (1) center.
- (4) If the partial population of the county is served by more than one (1) center.

(b) This subsection applies only to a property tax that is imposed in a county containing a consolidated city. The tax rate permitted under subsection (a) for taxes first due and payable after 1995 is the tax rate permitted under subsection (a) as adjusted under this subsection. For each year in which an annual adjustment of the assessed value of real property will take effect under IC 6-1.1-4-4.5 or a general reassessment of property will take effect, the department of local government finance shall compute the maximum rate permitted under subsection (a) as

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follows:

STEP ONE: Determine the maximum rate for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year. STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of:

(A) the STEP ONE tax rate; divided by

(B) one (1) plus the STEP SIX percentage increase.

This maximum rate is the maximum rate under this section until a new maximum rate is computed under this subsection for the next year in which an annual adjustment under IC 6-1.1-4-4.5 or a general reassessment of property will take effect.

(c) With respect to a county to which subsection (b) does not apply, The maximum tax rate permitted under subsection (a) for taxes first due and payable in a calendar year 2004 and calendar year 2005 is the maximum tax rate that would have been determined under subsection (d) for taxes first due and payable in 2003 if subsection (d) had applied to the county for taxes first due and payable in 2003.

(d) This subsection applies only to a county to which subsection (b) does not apply. The tax rate permitted under subsection (a) for taxes first due and payable after calendar year 2005 is the tax rate permitted under subsection (c) as adjusted under this subsection. For each year

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in which an annual adjustment of the assessed value of real property will take effect under IC 6-1.1-4-4.5 or a general reassessment of property will take effect, the department of local government finance shall compute the maximum rate permitted under subsection (a) as follows:

STEP ONE: Determine the maximum rate for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined under STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year. STEP FIVE: Divide the sum of the three (3) quotients computed under STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of:

(A) the STEP ONE tax rate; divided by

(B) one (1) plus the STEP SIX percentage increase.

This maximum rate is the maximum rate under this section until a new maximum rate is computed under this subsection for the next year in which an annual adjustment under IC 6-1.1-4-4.5 or a general reassessment of property will take effect.

- (b) The amount of funding under subsection (a) for taxes first due and payable in a calendar year is the following:
 - (1) For 2004, the amount is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the amount that was levied within the county to comply with this section from property taxes

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first due and payable in 2002.

STEP TWO: Multiply the STEP ONE result by the county's assessed value growth quotient for the ensuing year 2003, as determined under IC 6-1.1-18.5-2.

STEP THREE: Multiply the STEP TWO result by the county's assessed value growth quotient for the ensuing year 2004, as determined under IC 6-1.1-18.5-2.

- (2) For 2005 and each year thereafter, the result equal to:
 - (A) the amount that was levied in the county to comply with this section from property taxes first due and payable in the calendar year immediately preceding the ensuing calendar year; multiplied by
 - (B) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2.

SECTION 10. IC 12-29-2-13, AS AMENDED BY P.L.215-2001, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 13. (a) This section applies to a Lake County. having a population of not less than four hundred thousand (400,000) but not more than seven hundred thousand (700,000).

- (b) In addition to any other appropriation under this article, a the county annually may fund each center serving the county from the county's general fund in an amount not exceeding the amount that would be raised by a tax rate of one cent (\$0.01) on each one hundred dollars (\$100) of taxable property within the county the following:
 - (1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by seven hundred fifty-two thousandths (0.752).
 - (2) For 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by seven hundred fifty-two thousandths (0.752).
- (c) The receipts from the tax levied under this section shall be used for the leasing, purchasing, constructing, or operating of community residential facilities for the chronically mentally ill (as defined in IC 12-7-2-167).
 - (d) Money appropriated under this section must be:
 - (1) budgeted under IC 6-1.1-17; and
 - (2) included in the center's budget submitted to the division of mental health and addiction.
 - (e) Permission for a levy increase in excess of the levy limitations

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may be ordered under IC 6-1.1-18.5-15 only if the levy increase is approved by the division of mental health and addiction for a community mental health center.

SECTION 11. IC 12-29-2-17 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 17. (a) Bonds of a county may be issued for the construction and equipment or the improvement of a building to house a community mental health center.

- (b) If services are provided to at least two (2) counties:
 - (1) bonds of the counties involved may be issued to pay the proportionate cost of the project in the proportion determined and agreed upon by the fiscal bodies of the counties involved; or
 - (2) bonds of one (1) county may be issued and the remaining counties may annually appropriate to the county issuing the bonds amounts to be applied to the payment of the bonds and interest on the bonds in the proportion agreed upon by the county fiscal bodies of the counties involved.

SECTION 12. IC 12-29-2-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 18. All general Indiana statutes relating to the following apply to the issuance of county bonds under this chapter:

- (1) The filing of a petition requesting the issuance of bonds.
- (2) The giving of notice of the following:
 - (A) The filing of the petition requesting the issuance of the bonds.
 - (B) The determination to issue bonds.
 - (C) A hearing on the appropriation of the proceeds of the bonds
- (3) The right of taxpayers to appear and be heard on the proposed appropriation.
- (4) The approval of the appropriation by the department of local government finance.
- (5) The right of taxpayers to remonstrate against the issuance of bonds.

SECTION 13. IC 12-29-2-19 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 19. If bonds are issued under this chapter:**

(1) the building that is constructed, equipped, or improved

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with proceeds of the bonds is:

- (A) the property of the county issuing the bonds; or
- (B) the joint property of the counties involved if the bonds are issued by at least two (2) counties; and
- (2) the tax limitations in this chapter do not apply to the levy of taxes to pay the bonds and the interest on the bonds.

SECTION 14. IC 12-29-2-20 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 20. (a) On the first Monday in October, the county auditor shall certify to:**

- (1) the division of mental health and addiction, for a community mental health center; and
- (2) the president of the board of directors of each community mental health center;

the amount of money that will be provided to the community mental health center under this chapter.

- (b) The county payment to the community mental health center shall be paid by the county treasurer to the treasurer of each community mental health center's board of directors in the following manner:
 - (1) One-half (1/2) of the county payment to the community mental health center shall be made on the second Monday in July.
 - (2) One-half (1/2) of the county payment to the community mental health center shall be made on the second Monday in December.
- (c) A county making a payment under this section or from other county sources to a community mental health center that qualifies as a community mental health center disproportionate share provider under IC 12-15-16-1 shall certify that the payment represents expenditures eligible for financial participation under 42 U.S.C. 1396b(w)(6)(A) and 42 CFR 433.51. The office shall assist a county in making this certification.
 - (d) Payments by the county fiscal body:
 - (1) must be in the amounts:

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- (A) determined by sections 2 through 5 of this chapter; and
- (B) authorized by sections 1.2 and 13 of this chapter; and
- (2) are in place of grants from agencies supported within the county solely by county tax money.

SECTION 15. IC 12-29-2-6 IS REPEALED [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)].

SECTION 16. [EFFECTIVE JANUARY 1, 2004



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(RETROACTIVE)] (a) IC 12-29-1 and IC 12-29-2, both as amended by this act, apply to property taxes first due and payable after December 31, 2003.

- (b) If the department of local government finance determines that compliance with this act would cause an unreasonable delay in the certification of budgets, tax rates, and tax levies in a county, the department of local government finance may certify budgets, tax rates, and tax levies for the county under IC 6-1.1-18-12, IC 12-29-1, and IC 12-29-2 as if this act had not been passed. However, if the department of local government finance takes this action, the affected county and the department of local government finance shall provide for an additional shortfall property tax levy and an additional budgeted amount in 2005 to replace the revenue lost in 2004 to community mental health centers as a result of certifying budgets, tax rates, and tax levies for the county under IC 6-1.1-18-12, IC 12-29-1, and IC 12-29-2 as if this act had not been passed.
- (c) The amount of the shortfall levy under subsection (b) shall be treated as an addition to the amount allowed in 2005 under IC 12-29-2, as amended by this act. The ad valorem property tax levy limits imposed by IC 12-29-2, as amended by this act, do not apply to ad valorem property taxes imposed under subsection (b). The shortfall levy imposed under this SECTION may not be considered in computing ad valorem property tax levies under IC 12-29-2, as amended by this act, for property taxes first due and payable after 2005."

Delete pages 2 through 14.

Page 15, line 35, after "(c)" insert "The office of the secretary of family and social services shall cooperate with the select joint commission on Medicaid oversight and provide the commission with information and data necessary for the commission to carry out this SECTION.

(d)".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1320 as reprinted February 3, 2004.)

MILLER, Chairperson

Committee Vote: Yeas 11, Nays 0.



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SENATE MOTION

Madam President: I move that Engrossed House Bill 1320 be amended to read as follows:

Page 4, line 15, reset in roman "IC 12-29-2-1".

Page 4, line 16, delete "IC 12-29-2-2".

Page 4, line 16, delete "IC 12-29-2-5;" and insert "IC 12-29-2-5 and IC 12-29-2-13;".

(Reference is to EHB 1320 as printed February 13, 2004.)

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1320 be amended to read as follows:

Page 4, between lines 26 and 27, begin a new paragraph and insert: "SECTION 3. IC 12-15-15-1.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: Sec. 1.6. (a) This section applies only if the federal Centers for Medicare and Medicaid Services determines that payments made under section 1.5(b) STEP FIVE (A), (B), or (C) of this chapter are not eligible for federal financial participation.

- (b) If the federal Centers for Medicare and Medicaid Services determines that payments made under section 1.5(b) STEP FIVE (A) of this chapter are not eligible for federal financial participation, the office may make an alternative payment to a payment under section 1.5(b) STEP FIVE (A) of this chapter if:
 - (1) the payments for a state fiscal year are made only to a hospital that would have been eligible for a payment for that state fiscal year under section 1.5(b) STEP FIVE (A) of this chapter; and
 - (2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to the amount each hospital would have received under section 1.5(b) STEP FIVE
 - (A) of this chapter for that state fiscal year.
- (c) If the federal Centers for Medicare and Medicaid Services determines that payments made under section 1.5(b) STEP FIVE (B) of this chapter are not eligible for federal financial participation, the office may make an alternative payment to a

payment under section 1.5(b) STEP FIVE (B) of this chapter if:

- (1) the payments for a state fiscal year are made only to a hospital that would have been eligible for a payment for that state fiscal year under section 1.5(b) STEP FIVE (B) of this chapter; and
- (2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to the amount each hospital would have received under section 1.5(b) STEP FIVE
- (B) of this chapter for that state fiscal year.
- (d) If the federal Centers for Medicare and Medicaid Services determines that payments made under section 1.5(b) STEP FIVE (C) of this chapter are not eligible for federal financial participation, the office may make an alternative payment to a payment under section 1.5(b) STEP FIVE (C) of this chapter if:
 - (1) the payments for a state fiscal year are made only to a hospital that would have been eligible for a payment for that state fiscal year under section 1.5(b) STEP FIVE (C) of this chapter; and
 - (2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to the amount each hospital would have received under section 1.5(b) STEP FIVE (C) of this chapter for that state fiscal year.
- (e) If the federal Centers for Medicare and Medicaid Services determines that payments made under subsection (b), (c), or (d) are not eligible for federal financial participation, the office shall use the funds that would have served as the non-federal share of these payments for a state fiscal year to serve as the non-federal share of a payment program for hospitals to be established by the office.
- a payment program for hospitals to be established by the office. The payment program is for the benefit of hospitals and must distribute payments for a state fiscal year based upon a methodology determined by the office to be equitable under the circumstances."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1320 as printed February 13, 2004.)

MILLER









